

## **Mayor Sullivan's Remarks on FY09 Budget Proposal**

May 1, 2008

Thank you to members of the council and to the members of the public that have joined us this evening. I am grateful for the trust the citizens of Braintree have placed in me and for the opportunity to work with you to make this new form of government a reality.

Thomas Edison said that "opportunity is missed by most people because it is dressed in overalls and looks like work." We must recognize the hard work that is inherent in the opportunity we have to bring true change to our government. Change is not always easy. To be candid at times it is not enjoyable. But if we wish to improve our town we must seize this opportunity to bring about meaningful change.

In my inaugural speech I noted the sense of urgency that existed in getting to the task of reorganizing and reworking our government and the importance of being creative, strategic and decisive for the betterment of Braintree. Tonight we continue the hard work that will result in the new beginning that our citizens expect and will result in a more responsive and better functioning government.

The budget I am presenting today is a realistic, thoughtful, and comprehensive approach that directly confronts the fiscal challenges facing our government today while providing a foundation for excellence in the future. It is designed to not only resolve our current fiscal problems but to lay the path for long term financial strength.

**Challenges Ahead:**

The challenges we are facing are significant.

We are facing a fiscal challenge that is not the result of a one-time event, but reflects a new and somber reality that every city and town in Massachusetts must now face. Gasoline prices in Massachusetts are 19% higher than they were 12 months ago. Home heating oil prices are up 60%. Home owners and businesses are being forced by these realities to make difficult choices.

Braintree faces the same cost increases and more. Health care premiums are increasing by ten per cent. Revenue projections made for the current fiscal year by the old form of government proved to be unrealistic. Motor vehicle excise taxes and interest income fell hundreds of thousands of dollars short of their projected values.

Recognizing this reality and our responsibility, we have already taken steps to cut expenses. We have reduced cell phone and motor vehicle use, cut recording secretaries and part-time casual employees. Next week I shall be sending a directive that no purchases of goods and services greater than \$250 will be permitted without mayoral approval. Unavoidably, some layoffs will occur prior to the end of this fiscal year.

These steps will help. Yet, if we wish to truly excel as a town, we must make more profound changes in the way we provide our services. We cannot postpone or circumvent or finesse our way around this challenge and we cannot hide from it. We will meet the fiscal realities of our times head on with resolve and honesty and transparency.

In the past, Braintree pursued a series of short-term approaches that papered over our problems and tapped free cash and reserve funds to balance the budget four out the last five years. This strategy, along with the continual structural deficits in our water and sewer

enterprise system, has led bond rating agencies to put us on notice that our bond rating is in jeopardy. In October 2007, prior to the transition to our new government, Moody's Investors Service noted "the town's financial position remains structurally imbalanced in fiscal 2008 with limited flexibility to address unforeseen costs. Future rating actions will also heavily factor the town's ability to restore structural balance and augment reserves in the near term." In plain English our finances are not solid and we must make them so.

Some would counsel that we can weather this financial tempest with half-measures that will get us through this year. We can avoid the hard choices and simply make cuts without setting priorities. Make a small cut across the board and continue business as usual. In my view, such an approach would merely serve to postpone the inevitable and would forfeit our opportunity to take positive responsible action.

I believe that Braintree can and will face our fiscal challenge head on while we also transform our government. That is the primary goal of the budget I am presenting this evening.

Before I take you through the major features of the budget, I want to acknowledge that Braintree has been fortunate to have a workforce that is capable and hardworking. I am continually impressed by the commitment, professionalism, and dedication of the employees of our town.

Unfortunately, despite the good work of many, our prior government's structure did not allow us to be as efficient or as effective on the delivery side as we needed to be. We can no longer afford these inefficiencies. In short, I do not want this move to efficiency to reflect poorly upon the devotion and skills of the individuals affected. Do not interpret this initiative as criticism of any person or persons employed by the town.

**Action Plan for the Future:**

The budget before you focuses on overhauling our organizational structure to make our government more accountable; provides a capital plan and resources to beautify our town, and preserves and streamlines the core services of government. We have already begun this process using capital and Community Preservation funds for rehabilitating and beautifying the building and grounds of Town Hall. As you know this coming May 3<sup>rd</sup> has been designated as Beautify Braintree Day, an opportunity for each of us to take pride in our town and do our part to spruce it up.

The budget I present to you includes no tax increase, no gimmickry and lives within our means. In addition to my own observations and reviews, it incorporates the recommendations of financial auditors as well as professional consultants with significant government experience who spent weeks interviewing staff at all levels and observing their work. Each department head was asked to provide a level funded budget and was given the opportunity to provide alternatives to any cuts contained in this proposal. In crafting this proposal we have tried to be fair, thorough and thoughtful and we have accomplished this with department head and employee input.

Our fiscal reality requires a reduction in our workforce. Wherever possible, we have consolidated and removed duplication of effort so that services will continue to be provided but in a more efficient manner. We have also adjusted some salaries to better align them with comparable positions in the town and in other communities. In some cases this has resulted in

salary reductions. However many positions have been reclassified to a higher pay grade because of added responsibilities.

We have also been bold in recognizing the value in having the Braintree Electric Light Department play a more active role in our town government. In accordance with the recommendation of our forensic audit, we endeavor to partner with BELD and use its billing and revenue management expertise to improve the fiscal management of the Water and Sewer Department taking the first step toward an integrated department of public utilities. We also propose that BELD will partner with the town to provide an enhanced and more fiscally responsible information technology services. We are also thankful to BELD for the \$150,000 increase they have made to their payment in lieu of taxes to the town, upping the annual total to one million dollars a year.

This budget allows for 100 roads to be repaired throughout the town as part of a 3 year plan. We will have a more active conservation program, in which trees will be planted and beautification will be emphasized. We will have a consistent planning and economic development effort and where there is redevelopment there will be mitigation that makes a positive difference.

For years we have had a Department of Public Works in name only in which resources and workforces were seldom shared only grudgingly and services were not well coordinated. Over the course of the coming fiscal year this budget converts the independent divisions of highway, parks, engineering, cemetery, water and sewer and facility and equipment into a truly unified department. This restructuring will make personnel and equipment available to

managers in an atmosphere that eliminates the worry that by being efficient they will lose resources.

The DPW budget is designed for an orderly, phased transition. Duplication of effort will be eliminated. Roads and parks will be maintained by a more flexible and versatile workforce. We are also creating a building and vehicle maintenance department to allow for more work to be done in-house and to better utilize workforces and resources. This is all being done while at the same time no summer recreation and seasonal maintenance programs will be cut in the coming year.

Our town's financial offices will be streamlined. We will hire a Director of Municipal Finance, as required by our charter to lead our financial team. Moreover, by January 1<sup>st</sup>, the offices of Treasurer and Tax Collector will be consolidated. This will allow for a sensible and thorough transition that will ensure the business of the town will not be disrupted. The new structure will enhance development and coordination of our financial strategy.

Our core services must be the main focus of our government. The budget ensures that our schools, although not filling a few available positions, will see no layoffs of teachers and adequate resources have been provided to the schools to cover replacement of most retiring teachers. There will be no layoffs of firefighters or police officers.

We've reduced solid waste disposal costs and look towards an enhanced recycling program through a coordinated bidding process with our neighbors Weymouth and Quincy, resulting in savings of \$100,000 this year and managing and stabilizing costs for the next decade.

When the citizens of Braintree voted to change our government, they signaled their desire for fundamental change. In voting for a new way of doing the business of government, the people told us that they want their town government to become a better operating entity. This budget is a dramatic step in transforming the desire for change into reality.

As leaders of this new government, we now have a responsibility to deliver a better government to our town. Given the current fiscal times we are facing our task is daunting. However, I am confident that if we are willing to be responsible and resolute, we will meet and hopefully exceed expectations.

On a personal note, let me add that for me these past four months have been all-consuming and at times enormously difficult as we work our way towards the implementation of our new government.

I have been helped considerably by the hard work of Peter Morin, Carolyn Murray and Mark Cusack and others who have focused their efforts in the best interest of our town. I thank them and everyone who has played a role in shaping this budget document that I present tonight. As Mayor, I am pleased with the results thus far-knowing that we are taking necessary steps today, while being mindful that this work is not complete and will require perpetual oversight, revision and action in the days ahead.

John F. Kennedy noted that “the Chinese use two brush strokes to write the word crisis. One brush stroke stands for danger and the other for opportunity. In a crisis we must be aware of the danger but recognize the opportunity.” We are today compelled to face fiscal dangers and difficulties. But at the same time, we have a great opportunity to reform and remake our government so that we will thrive in the future. I am committed to working with the Council,

our townspeople and all interested parties to ensure that this new government takes full advantage of the opportunity to bring a new and better direction for Braintree.